

building located at 290 Broadway in New York, NY, as the Ronald H. Brown Federal Building.

Ronald H. Brown, the first African-American Secretary of Commerce, was an extraordinary statesman whose force, competence and sheer commitment forged new ground for U.S. commerce. The ultimate sacrifice of his life in exceptional service to his country is further testimony to his leadership and passion for economic development and opportunity at home and abroad.

Ronald H. Brown loved this country and represented the best that America has to offer. he was a compassionate advocate for civil rights; a bridge builder mending the divisions of race, religion and cultures; a mentor developing young talent and extending the ladder of opportunity to a new generation of leaders; and, indeed an extraordinary public servant and leader.

His life was one marked by an outstanding record of accomplishment and service to America. He served as Army Captain; Vice President of the National Urban League; Chief Counsel to the Senate Judiciary Committee; a distinguished attorney; Chairman of the Democratic National Committee; a trusted advisor to the President of the United States; a husband; a father; and, a friend.

The designation of this building, home to Federal agencies and site of the recently discovered African-American slave burial ground, would honor Ron Brown's service and memory. This designation would serve as an inspiration and reminder to all Americans of Ron Brown's contributions and the noble cause for which he sacrificed his life.

INTRODUCTION OF THE TAX EXEMPTION ACCOUNTABILITY ACT

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 7, 1997

Mr. MENENDEZ. Mr. Speaker, today, I am introducing the Tax Exemption Accountability Act to stop self-dealing by the managers of tax exempt organizations and put teeth into the requirement that they file accurate annual returns with the IRS and make them available to the public. It creates a national clearinghouse offering copies of returns for a reasonable fee. The bill also caps the compensation of officers and directors at the level of U.S. cabinet members. Churches would continue to be exempt from filing IRS returns and from caps on pastors' salaries and hospitals could still pay high-cost professionals.

Given the current events, we need greater accountability by tax exempt organizations because they control substantial public wealth and offer temptation that some have been unable to resist manipulating. The share of national revenues going to tax exempts has nearly doubled in the past 15 years, growing to 8 percent per year in constant dollars. The IRS reports that revenues of tax exempts rose from 5.9 percent to 10.4 percent of the U.S. gross domestic product from 1975 to 1990. Those revenues totaled \$578 billion in 1990. This contrasts with taxable revenues from service industries which had receipts of \$1,174 billion. Tax exempts equal more than half of the revenue of all service sector indus-

tries and pay no tax. Clearly the opportunity for abuse is enormous.

The American people are the most generous people in the world. My bill will ensure that this generosity is not abused and profitable business activity is not diverting taxable revenue through manipulating charitable exemptions.

220TH ANNIVERSARY OF THE FOUNDING OF THE U.S. CALVARY

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 7, 1997

Mrs. KENNELLY. Mr. Speaker, I rise to recognize the 220th anniversary of the U.S. Calvary, celebrated last December.

On December 16, 1776, in the town of Wethersfield, CT, Revolutionary troops were organized as the 1st Calvary Regiment in the Continental Army under orders of the First Continental Congress. Today, the town of Wethersfield, located in the First Congressional District, is proud to be honored as the birthplace of the U.S. Calvary.

Recognized by the U.S. Army's Center of Military History, Sheldon's Horse, 2d Continental Light Dragoons, were organized in Wethersfield. This was the first dragoon regiment to be organized directly into the Continental Army. Training grounds for this regiment were erected by a Wethersfield resident, Capt. Benjamin Tallmadge. This regiment made several key contributions in the Revolutionary War effort by participating in combat in northern New Jersey and at the defense of Philadelphia.

The U.S. Calvary that had its origins in Wethersfield continued to serve our Nation long after the war ended, fighting epic battles at Brandy Station during the Civil War and the Punitive Expedition before World War I.

The founding of the U.S. Calvary is just one example of the important role that the town of Wethersfield has played in securing and preserving America's independence. From the historic Webb House, where Gen. George Washington met with Comte de Rochambeau to discuss strategies for the Battle of Yorktown, to the modern development of the Silas Deane Highway, the quaintness of Wethersfield is intermingled with the heroic greatness represented by the U.S. Calvary.

The U.S. Calvary, historically headquartered in Fort Riley, KS, will be forever linked with Wethersfield and the First Congressional District. I applaud the efforts of the friends and residents of the town of Wethersfield who have brought this significant part of American history the recognition it greatly deserves.

INTRODUCTION OF CAPITAL GAINS TAX PROPOSAL

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 7, 1997

Mr. NEAL of Massachusetts. Mr. Speaker, today I am introducing legislation, the Middle Class Income Tax Relief Act of 1997, which provides a capital gains tax cut for working

class Americans. This legislation provides a lifetime capital gains bank of \$200,000. Any taxpayer throughout the person's lifetime would have a capital gains bank of \$200,000. Under this legislation, a taxpayer could exclude up to 50 percent of the gain on the sale of a capital asset, up to the limit in the maximum tax rate of 19.8 percent.

The benefit of lifetime capital gains tax bank would phase out as a taxpayer's income increases above \$200,000. Under this legislation individuals who sold stocks saved for retirement or a second home, or elderly individuals, who have a large gain in the sale of their principal residence, would benefit. The proposal includes a 3-year holding period for the capital asset. Short-term stock speculators would not be able to qualify for the benefit.

In addition, the bill allows taxpayers to index the cost of real estate for inflation. An inflation-induced gain is not a capital gain and should not be subject to tax.

Lately, there has been much said about the necessity and benefits of a capital gain tax cut. A capital gains tax cut is a valid measure, but a capital gains tax needs to be economically feasible and to benefit the middle-class. A capital gains tax cut needs to be responsible. I believe the Middle Income Tax Relief Act of 1997 provides an appropriate capital gains tax cut.

Mr. Speaker, I insert a summary for the RECORD.

SUMMARY OF MIDDLE INCOME TAX RELIEF ACT OF 1997

Individuals would have a lifetime capital gains "bank."

Bank limit would be \$200,000 per person.

All individuals would be entitled to the \$200,000 bank: for example each spouse of a married couple would have a separate limit.

Any individual who sold a qualified asset could exclude up to 50 percent of the gain on the sale, up to the \$200,000 limit.

Qualified assets would include all capital assets under the present law, except collectibles.

Under the bill, the maximum tax rate on capital gains income would be 19.8 percent (i.e. 1/2 of the maximum 39.6 percent rate).

The full benefit would not be available in any year that a taxpayer had adjusted gross income in excess of \$200,000.

In the case of a sale or exchange of real property, taxpayers would be able to index their basis in the asset to the rate of inflation. Thus, no tax on inflation-induced gains.

Example: taxpayer buys a house for \$100,000 and sells it 9 years later for \$200,000. Inflation was 5 percent per year over the 9-year period. Basis for measuring gain is \$145,000 so gain is \$55,000.

A three year holding period would apply so that the deduction would not be available to any taxpayer who held the asset for less than 3 years.

CONGRATULATIONS TO MR. ALEJANDRO AGUIRRE

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 7, 1997

Ms. ROS-LEHTINEN. Mr. Speaker, I want to extend my congratulations to Mr. Alejandro Aguirre, deputy editor and publisher of *Diario Las Americas*, on his being named as chairman of the Metro-Dade Cultural Affairs Council.